

**Seabrook Neighborhood
Improvement and Security District
New Orleans, Louisiana**

Annual Financial Statements
And Accompanying Compilation Report

Year Ended December 31, 2019

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PEDELAHORE & CO., LLP

Certified Public Accountants

Independent Accountant's Compilation Report

To the Board of Commissioners
Seabrook Neighborhood Improvement and Security District
New Orleans, Louisiana

Management is responsible for the accompanying financial statements of Seabrook Neighborhood Improvement and Security District (the Security District) as of and for the year ended December 31, 2019, which collectively comprise the Security District's basic financial statements as listed in the table of contents, and for determining that the modified accrual basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As permitted by the Louisiana Legislative Auditor (for compilation engagements), the financial statements have been prepared in accordance with the modified accrual basis of accounting (as applied to governmental funds excluding recognition of deferred inflows and outflows), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified accrual basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Security District's financial position and change in fund balance. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying supplementary information contained on pages 5 and 6 is presented for purposes of additional analysis and, although not a required part of the basic financial statements, the budgetary schedule on page 5 is required by the Governmental Accounting Standards Board who consider it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic and historical context. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Restriction on Use

This report is intended solely for the information and use of management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public record.

Pedelatorre & Co., LLP

Metairie, Louisiana

June 25, 2020

Seabrook Neighborhood Improvement and Security District
Balance Sheet - Modified Accrual Basis
December 31, 2019

Assets

Cash	\$ 129,607
Parcel fees receivable	<u>15,173</u>
Total assets	<u>\$ 144,780</u>

Liabilities And Fund Balance

Total liabilities	<u>\$ 21,570</u>
Fund Balance - unassigned	<u>123,210</u>
Total liabilities and fund balance	<u>\$ 144,780</u>

See independent accountant's compilation report.

Seabrook Neighborhood Improvement and Security District
Statement Of Revenues, Expenditures And
Changes In Fund Balance - Modified Accrual Basis
For The Year Ended December 31, 2019

Revenues	
Parcel fees (net of collection fees)	\$ 196,580
Other income	347
Interest earned	<u>167</u>
Total revenues	<u>197,094</u>
 Expenditures	
Patrol and security expenses	181,454
Administration and accounting	6,072
Beautification	500
Overall betterment	<u>2,399</u>
Total expenditures	<u>190,425</u>
Net Change In Fund Balance	<u>6,669</u>
Fund Balance At Beginning Of Year	114,511
Prior period adjustment - modified acccrual basis	<u>2,030</u>
Fund Balance At Beginning Of Year - Restated	<u>116,541</u>
Fund Balance At End Of Year	<u><u>\$ 123,210</u></u>

See independent accountant's compilation report.

Seabrook Neighborhood Improvement and Security District
Schedule Of Revenues, Expenditures, And Changes In
Fund Balance (Modified Accrual Basis) - Budget And Actual
For The Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	% Variance
Revenues					
Parcel fees (net of collection fees)	\$ 200,000	\$ 184,000	\$ 196,580	\$ 12,580	
Other income	-	-	347	347	
Interest earned	-	-	167	167	
Total revenues	<u>200,000</u>	<u>184,000</u>	<u>197,094</u>	<u>13,094</u>	7.1
Expenditures					
Patrol and security expenses	160,000	197,374	181,454	15,920	
Administration and accounting	17,300	9,348	6,072	3,276	
Beautification	4,000	4,000	500	3,500	
Overall betterment	17,000	12,850	2,399	10,451	
Total expenditures	<u>198,300</u>	<u>223,572</u>	<u>190,425</u>	<u>33,147</u>	14.8
Net Change In Fund Balance	1,700	(39,572)	6,669	46,241	
Fund Balance At Beginning Of Year	<u>17,738</u>	<u>116,541</u>	<u>116,541</u>	-	
Fund Balance At End Of Year	<u><u>\$ 19,438</u></u>	<u><u>\$ 76,969</u></u>	<u><u>\$ 123,210</u></u>	<u><u>\$ 46,241</u></u>	

See independent accountant's compilation report.

Seabrook Neighborhood Improvement and Security District
New Orleans, Louisiana
Supplementary Information
For The Year Ended December 31, 2019

Schedule of Compensation, Benefits and Other Payments to Agency Head, Political
Subdivision Head or Chief Executive Officer

The schedule of compensation, benefits and other payments to agency head, political subdivision head or chief executive officer is presented in compliance with Act 706 of the 2014 Session of the Louisiana Legislature.

The District has no employees and the President, Mr. Leonard McCollum Jr., (agency head, political subdivision head or chief executive officer) of the governing board of commissioners serves without compensation, remuneration, benefits or otherwise.

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

See independent accountant's compilation report.

Seabrook Neighborhood Improvement and Security District
Summary Schedule Of Current And Prior Year Findings
For The Year Ended December 31, 2019

Current Year Findings:

Compilation

There were no findings noted for the year ended December 31, 2019.

Management Letter

Attached – Necessary Periodic Reporting and Support

Prior Year Findings:

Compilation

Finding 2018-1: Budgetary Compliance

Condition: The District's actual revenues for 2018 was lower than budgeted revenues by more than 5%.

Status: Resolved. The District concurred with the finding. The District's 2019 budget complied with the Local Government Budget Act.

Management Letter

None issued.

PEDELAHORE & CO., LLP

Certified Public Accountants

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Management Letter

To The Board of Commissioners
Seabrook Neighborhood Improvement
And Security District
New Orleans, Louisiana

In performing the compilation of Seabrook Neighborhood Improvement and Security District as of and for the year ended December 31, 2019, we noted the following matters we feel you may wish to further consider for appropriate action.

Condition:

The President of the Board of Commissioners has brought to our attention that the District is not receiving adequate, timely, comprehensive financial information from the City of New Orleans in order for the Board to evaluate whether it is receiving the proper amount of parcel fee revenue.

Additionally, because the City is unable to impose a reduced fee for the special circumstances provided by the District's statute, and because the District is not able to determine who has and has not paid the parcel fee, residents of the District may be over-charged because the District is unable to refund the proper amount for a reduced fee.

Recommendation:

We recommend that the Board continue communications with the City officials and establish a rapport for exchanging information – to ensure the City understands the purpose and significance of the information being requested by the District, and for the Board to learn what reports are available and useful to perform its functions in the appropriate manner.

Management's Response:

As noted above, the Board is fully aware of these circumstances and has tirelessly struggled, especially over the past six months, to obtain complete detailed reports that provide: the total number of parcels in the District, the amount billed, collected and distributed to the District on (at least) an annual basis. Finally, in May 2020 after submitting a Public Records Request, the District received a summarized (and partially detailed) listing: "City Finance Tax Collection Report 2019." While this latest list was informative and helpful, it in no way provided the detail needed to account for funds

collected by/for what "year," or by/for what "parcel" of property, nor did it sufficiently account for the funds distributed to the District.

The Board desires to obtain appropriate periodic financial records and intends to do whatever is necessary to achieve this goal, including contacting the Louisiana Legislative Auditor for further assistance, if necessary.

We would be please to further discuss these matters should you have any questions.



June 25, 2020